

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

|  |   |                                |
|--|---|--------------------------------|
| <b>In re:</b>                          | § |                                |
|  | § | <b>Chapter 11</b>              |
|  | § |                                |
| <b>EBONY MEDIA OPERATIONS, LLC and</b> | § | <b>Case No. 20-33665 (DRJ)</b> |
| <b>EBONY MEDIA HOLDINGS, LLC,</b>      | § |                                |
|  | § | <b>(Jointly Administered)</b>  |
| <b>Debtors.</b>                        | § |                                |
|  | § |                                |

---

**DEBTORS' EXPEDITED MOTION TO APPROVE SECOND AMENDMENT TO  
ASSET PURCHASE AGREEMENT WITH BRIDGEMAN SPORTS AND MEDIA LLC**

---

EMERGENCY RELIEF HAS BEEN REQUESTED. A HEARING WILL BE CONDUCTED ON THIS MATTER ON JANUARY     , 2021 AT      .M. (PREVAILING CENTRAL TIME) BEFORE THE HONORABLE DAVID R. JONES, COURTROOM 400, 4TH FLOOR, 515 RUSK STREET, HOUSTON, TEXAS 77002. YOU MAY PARTICIPATE IN THE HEARING EITHER IN PERSON OR BY AUDIO/VIDEO CONNECTION.

AUDIO COMMUNICATION WILL BE BY USE OF THE COURT'S DIAL-IN FACILITY. YOU MAY ACCESS THE FACILITY AT (832) 917-1510. YOU WILL BE RESPONSIBLE FOR YOUR OWN LONG-DISTANCE CHARGES. ONCE CONNECTED, YOU WILL BE ASKED TO ENTER THE CONFERENCE ROOM NUMBER. JUDGE JONES' CONFERENCE ROOM NUMBER IS 205691.

YOU MAY VIEW VIDEO VIA GOTOMEETING. TO USE GOTOMEETING, THE COURT RECOMMENDS THAT YOU DOWNLOAD THE FREE GOTOMEETING APPLICATION. TO CONNECT, YOU SHOULD ENTER THE MEETING CODE "JUDGE JONES" IN THE GOTOMEETING APP OR CLICK THE LINK ON JUDGE JONES' HOME PAGE ON THE SOUTHERN DISTRICT OF TEXAS WEBSITE. ONCE CONNECTED, CLICK THE SETTINGS ICON IN THE UPPER RIGHT CORNER AND ENTER YOUR NAME UNDER THE PERSONAL INFORMATION SETTING.

HEARING APPEARANCES MUST BE MADE ELECTRONICALLY IN ADVANCE OF THE HEARING. TO MAKE YOUR ELECTRONIC APPEARANCE, GO TO THE SOUTHERN DISTRICT OF TEXAS WEBSITE AND SELECT "BANKRUPTCY COURT" FROM THE TOP MENU. SELECT "JUDGES' PROCEDURES," THEN "VIEW HOME PAGE" FOR JUDGE JONES. UNDER "ELECTRONIC APPEARANCE" SELECT "CLICK HERE TO SUBMIT ELECTRONIC APPEARANCE". SELECT THE CASE NAME, COMPLETE THE REQUIRED FIELDS AND CLICK "SUBMIT" TO COMPLETE YOUR APPEARANCE.

IF YOU OBJECT TO THE RELIEF REQUESTED OR YOU BELIEVE THAT EMERGENCY CONSIDERATION IS NOT WARRANTED, YOU MUST EITHER APPEAR AT THE HEARING OR FILE A WRITTEN RESPONSE PRIOR TO THE HEARING. OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

RELIEF IS REQUESTED NOT LATER THAN JANUARY     , 2021.

TO THE HONORABLE DAVID R. JONES:

Debtors Ebony Media Holdings, LLC (“EMH”) and Ebony Media Operations, LLC (“EMO”) respectfully move the Court enter an order approving the Second Amendment to Asset Purchase Agreement (the “Second Amendment”), in substantially the form attached hereto as **Exhibit A**, between the Debtors and Bridgeman Sports and Media LLC (“BSM”). In support of this motion, the Debtors respectfully represent as follows:

### **JURISDICTION AND VENUE**

1. This Court has jurisdiction over the subject matter of this Motion pursuant to 28 U.S.C. § 1334(a). This is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(A) and 157(b)(2)(N). There is no constitutional prohibition of this Court entering a final order as to the subject matter of this Motion.

2. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

### **BACKGROUND**

#### **A. These Chapter 11 Cases**

3. On July 23, 2020 involuntary petitions under Chapter 7 of the Bankruptcy Code were filed against Ebony Media Operations, LLC, in bankruptcy no. 20-34665, and Ebony Media Holdings, LLC, in bankruptcy no. 20-34667. During the gap period, no interim trustee was appointed.

4. On September 3, 2020, the Court entered an Order of Relief that also converted the cases to Chapter 11 cases with the Debtors acting as Debtors-in-Possession. On September 9, 2020, the Court entered an Order granting the joint administration of the two cases.

#### **B. The Asset Purchase Agreement With BSM**

5. On October 9, 2020, the Court entered an *Order Granting Debtors’ Motion to*

*Approve Letter Of Intent and Entry Into Stalking Horse Asset Purchase Agreement, Approve Bidding Procedures for Sale of Debtors Assets, (C) Approve Stalking Horse Bid Protections, (D) Approve Assumption and Assignment Procedures, (E) Schedule Auction For, and Hearing to Approve, the Sale of Debtors' Assets, (F) Approve Form and Manner of Notice Thereof, G) Approve the Sale of Assets Free and Clear of Liens, Claims and Encumbrances and Assumption and Assignment of Executory Contracts and Unexpired Leases, and (H) Approve Related Relief* [Docket No. 48] (the “Bidding Procedures Order”), pursuant to which the Court approved bidding procedures for the sale of substantially all of the assets of the Debtors.

6. Among other things, the Bidding Procedures Order approves the Debtors’ entry into that certain Asset Purchase Agreement dated October 7, 2020 (as subsequently amended, the “APA”) with BSM to sell all or substantially all of the Debtors’ assets to BSM or its designee for a Purchase Price of \$14 million plus the assumption of certain liabilities and for BSM to act as “Stalking Horse” in connection with the proposed sale of the Debtors’ assets.<sup>1</sup> Section 10.2(o) of the APA expressly requires the Debtors to “deliver a duly executed Copyright License Agreement between Ebony Media Operations, LLC and each owner of any Archive Images (as defined therein) that are subject of the Archive License Agreement, dated May 5, 2016.”

7. In accordance with the procedures approved by the Bidding Procedures Order, the Debtors solicited bids for substantially all of their assets. As set forth in the *Notice of Auction Results and Successful Bidder* [Docket No. 257] filed with the Court, on December 17, 2020, the bidding deadline occurred, no other qualified bids were submitted, and the Debtors announced that BSM was the successful bidder.

---

<sup>1</sup> A true and correct copy of the APA approved by the Court is filed at Docket No. 285. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the APA. The descriptions herein of the APA are for informational purposes only and are qualified in all respects by reference to the terms of the specific terms of the APA.

8. On December 22, 2020, the Court entered the *Order (I) Approving and Authorizing the Sale of Substantially all of the Debtors' Assets Free and Clear of All Liens, Claims and Encumbrances, (II) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (III) Granting Related Relief* [Docket No. 285] (the "Sale Order"), which approved the sale of substantially all of the Debtors' assets to BSM pursuant to the APA.

**C. Second Amendment to APA**

9. After entry of the Sale Order, the Debtors determined that they are not able to deliver the Copyright License Agreement as required by Section 10.2(o) of the APA. After further discussions, the parties agreed to modify the terms of the APA to (i) reduce the Purchase Price to \$12.6 million *plus* the assumption of certain liabilities and (ii) remove the requirement of 10.2(o), as more fully set forth in the Second Amendment. BSM has also agreed to extend the outside date to January 15, 2021 to facilitate the closing of the transaction.

10. The Debtors and BSM have worked diligently to prepare to close the transaction, and the parties are prepared to close the transaction as soon as practicable after the amendments to the APA are approved.

**RELIEF REQUESTED**

11. By this motion, the Debtors request that the Court approve the Second Amendment on an expedited basis to allow the parties to proceed to closing on or before January 15, 2021. The Court has previously approved the sale of the Debtors' assets to BSM under the terms of the APA. Unfortunately, the Debtors determined that they could not deliver the Copyright License Agreement under Section 10.2(o) as agreed, but the parties nevertheless will move forward with the transaction subject to a reduction in the purchase price to \$12.6 million. In addition, no other bids for the Debtors' assets were received under the bidding procedures. Accordingly, the Debtors request that the Court approve the modifications to the APA as set forth in the Second Amendment.

WHEREFORE, premises considered, Ebony Media Operations, LLC and Ebony Media Holdings, LLC respectfully request that the Court approve the Amendment and all such related relief which is just.

Respectfully submitted,

/s/ Leonard H. Simon

By: Leonard H. Simon

TBN: 18387400 | SBN: 8200

2777 Allen Parkway, Suite 800

Houston, TX 77019

Tel. (713) 528-8555

Fax. (713) 868-1267

lsimon@pendergraftsimon.com

*Counsel for Debtors*

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the above Expedited Motion has been served on the following counsel/parties of record in accordance with the Fed. R. Bankr. P. 9013, BLR 9013 and local rules for ECF service on the 7th day of January 2021.

/w/ Leonard H. Simon

Leonard H. Simon